Revival of Indo-US sub-commission on trade and economy

7516. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether India and U.S. have recently signed an M.O.U. to revive the sub-commission on trade and economy;

(b) if so, the details thereof;

(c) whether the two countries have also agreed to set up the Indo-U.S. Business Partnership Initiative; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (d) The information is being collected and will be laid on the Table of the House.

Disposal of cases of labour cooperative societies by BIFR

7517. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) the number of applications received from labour cooperative societies and disposed of favourably by BIFR;

(b) the number of industries restarted after approval of BIFR;

(c) whether BIFR had approved restarting of Mafatlal Engineering Industry through labour cooperative; if so, what is its present status; and

(d) whether Government will issue directive to implement decisions of BIFR on time bound basis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Industrial companies which are sick have to make a reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR has reported that while formulating a scheme for revival of a Sick Industrial Company, they may consider proposals, if any, received from workers to form a cooperative to run the company. No 'application' as such is necessarily received from the workers. Further, the "Labour Cooperative Society" comes into existence alongwith the formulation/implementation of the revival scheme.

BIFR has further reported that it has so far sanctioned five cases of revival of Sick Industrial Companies through workers' cooperatives. Of these two cases are under implementation. The other three cases have not yet taken-off.

(c) The workers of M/s. Mafatlal Engineering Industries Ltd. had evinced interest to form a cooperative to run the company but no progress could be made in this regard. In February, 1993, BIFR formed a prima facie opinion that it was just and equitable that the company be wound-up and issued a show cause notice. However, proceedings before BIFR were stayed by the Bombay High Court in July, 1993.

(d) As per the provisions of SICA, a revival scheme sanctioned by BIFR is binding on all concerned. The Act also provides for penalty for violation of sanctioned schemes.

Duty on coated paper

7518. SHRI CHIMANBHAI MEHTA:
SHRI SARADA MOHANTY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that paper coating industry is divided into three categories viz. exclusively paper coating units; base paper producing and coating units with unconventional raw materials having less than 33,000 PTA; bigger units using both unconventional raw materials and pulp;

(b) whether it is also a fact that exclusive paper coating units invest Rupees 4 crores in their plants, while mix units doing paper coating and producing base paper invest more than Rupees 20 crores and have much larger turn over compared to exclusive paper units;

(c) whether it is a fact that exclusive paper coating units which are smaller in size are imposed with 20 per cent excise and bigger units with 15 per cent and 10 per cent;

(d) if so, what are the reasons therefor;

(e) whether it is a fact that input cost of exclusive paper coating units is higher by around 15 per cent and yet they pay much higher excise;

(f) whether it is a fact that in such a situation exclusive paper coating units would not survive; and

(g) if so, what remedial steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Broadly, the paper coating industry can be divided into the independent paper coating units and paper mills having facilities for making coated paper in the same factory. There can be further categorisations depending on the type of coating, raw material used, quantum of clearances, etc.

(b) There are no definite limits of investment in plants. Generally, the investment to be made by exclusive paper coating units would be lower as compared to paper mills making both paper and coating the same.

(c) and (d) Exclusive paper coating units and wood based integrated coating units, both attract 20 per cent excise duty. But exclusive paper coating units can avail lower duty of nil, 10 per cent or 15 per cent under the general SSI scheme. Unconventional raw material based integrated coating units attract 5 per cent, 10 per cent or 15 per cent excise duty depending, inter alia, on the percentage of unconventional raw material used and/or quantum of clearances in a financial year. This differential excise duty structure is necessitated by the broader policy of encouraging use of unconventional raw material in the manufacture of paper and paperboards under the latter schemes

(e) The input cost of any paper coating unit depends upon a number of factors including the excise duty on different inputs, other taxes, freight etc. These factors vary, inter alia, with the nature and sourcing of inputs, policies of State/Local Government, location of the units concerned, marketing pattern of input suppliers, etc. In view of these variable factors it is not possible to quantify the input cost differences between integrated coating units and exclusive coating units.

(f) and (g) Excise duty on coated paper is only one of the numerous factors involved in the survival of exclusive paper coated units. Further, the general SSI scheme is available on coated paper. Modvat credit of the full duty on inputs is also available. These benefits are considered adequate for the exclusive paper coating units.

Tax Paying Population

7519. SHRI CHIMANBHAI MEHTA:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that tax paying population is one per cent in India;

(b) whether it is also a fact that in Nigeria tax paying population is ten per cent and in other developing countries it is higher than India.

(c) whether it is a fact that in developed countries, the tax paying population is around 50 per cent; and

(d) what are the plans of Government to expand tax base?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The number of individual taxpayers in India is less than one per cent of the total population.